Losses in Regional Rural Banks

2398. PROF. RAM KAPSE : Will the Minister of FINANCE be pleased to state :

(a) whether the Regional Rural Banks have incurred heavy losses during 1990-91;

(b) if so, the details thereof and the reasons therefor; and

(c) the remedial measures taken or proposed to be taken by the Government to prevent losses in future?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) and (b) National Bank for Agriculture & Rural Development (NABARD) has reported that out of 196 Regional Rural Banks (RRBs), 146 RRBs have so far intimated their working results for the year 1990-91. The working results indicate that 36 RRBs have earned profits amounting to Rs.18.04 crores, whereas 110 banks have incurred losses amounting to Rs. 61.65 crores.

Some of the reasons for RRBs incurring losses are as under :—

(i) insufficient average return on advances;

(ii) restrictions on choice of clientale and the purpose of advances,

(iii) poor quality of lendings and large scale defaults.

(iv) Implementa tion of award of the National Industrial Tribunal·

(c) The performance of Regional Rural Banks is continuously monitored by the Central Government, State Govts, NABARD and the Sponsored Banks and appropriate action is taken to improve their working. The share capital of Regional Rural Banks is being raised to Rs. 1 crore each, in a phased manner. Government has already taken a decision to maintain the identity and character of the RRBs. Reserve Bank of India in consultation with NABARD is engaged in evolving a package of financial measures for making the RRBs viable.

Reimbursement of investment made by Government of Orissa on Paradeep Port

2399. SHRI LOKANATH CHOUDHURY : Will the Minister of SURFACE TRANSPORT be pleased to state :

(a) whether the question of reimbursement of initial capital expenditure incurred by the Government of Orissa on Paradeep Port is pending with the Union Government for a long time; and

(b) if so, the details thereof and when the final decision on this issue is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF SURFACE TRANSPORT (SHRI JAGDISH TYTLER) : (a) Yes, Sir.

(b) Under the provisions of the Major Port Trusts Act, 1963, the terms and conditions of the repayment of initial capital expenditure incurred in respect of a major port by the Central Government or a State Government is repayable by the Port Trust on such terms and conditions as may be prescribed by the Central Government. The question of finalising such terms and conditions of repayment of the initial capital expenditure incurred by the Orissa State Government in the construction of Paradip Port is under consideration. It is likely that a final decision in this regard may take some more time.

Opening of Branches by Nationalised Banks in Kerala

2400. SHRI K. MURALEEDHARAN : Will the Minister of FINANCE be pleased to state :

(a) whether there is any proposal to open new branches of the nationalised banks in Kerala; and

(b) if so, the details thereof and the names of the places where these branches will be opened, bank-wise ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI DALBIR SINGH) : (a) and (b) Opening of branches of nationalised banks under the extant branch